

ECONOMIC DEVELOPMENT REVOLVING LOAN COMMITTEE

A meeting of the Economic Development Revolving Loan Committee was called to order on August 4, 2005 at 10:00 a.m. in the City Hall Council Chambers by Chairman Kropp. Other members present included Fekete, Lowery, and Prange. Also present was Linda Gaertner, Eric Sampson, and Tom Mihajlov. A motion was made by Fekete, seconded by Lowery to approve the minutes of the July 1, 2005 meeting. Motion carried.

The Committee reviewed the financial information on the 2003 and 2004 Form 990s from Menomonie Day Care, Inc., who are seeking funds to pay off their American Heritage Foundation, Inc. first mortgage and additional monies for building improvements. The Committee requested that representatives of Menomonie Day Care seek bank financing that would replace the outstanding American Heritage and City loans and include the other proposed improvements. The city would be interested in providing gap financing if a local financial institution is in the first mortgage position. No specific action was taken on the topic.

Representatives of Northern Star Properties, LLC (Green Mill) reviewed a loan application for working capital for the facility being constructed adjacent to the Best Western site. Eric Sampson representing the company and Tom Mihajlov, S & C Bank, reviewed the application and supporting financial information requested by the Committee. They indicated that the entire facility should be open in November, with an earlier start up date for special conference center events around October 1st. After the representatives left the meeting, a motion was made by Lowery, seconded by Fekete recommending City Council approval of a \$75,000 working capital loan to be amortized over 7 years at a 6% rate of interest with payments by electronic fund transfers, collateralized by personal guarantees of both principals, second positions on the real estate at 1827 North Broadway, and a security interest on all the other assets. The funds would be released on October 1, 2005. Motion carried.

The Committee reviewed the financial statements through June, 2005 with no action being taken.

A motion was made by Fekete, seconded by Lowery to adjourn. Motion carried.

Respectfully submitted,

Lowell R. Prange
Recording Secretary

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